



# **Anti-Corruption Policy**

**of EUROGATE GmbH & Co. KGaA, KG  
and the EUROGATE Group companies**

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## **I. General part**

### **1. Objective**

This Anti-Corruption Policy specifies in more detail the principles of the EUROGATE Group described in the third part of the Code of Conduct. The Policy serves to raise the awareness of all employees<sup>1</sup> with regard to the danger of corruption and shall also serve as instruction and help to prevent and fight against corruption, also in particular in connection with extending and accepting invitations or gifts in the course of business.

### **2. Area of application**

This Policy applies to all and any transactions, business partners, authorities and third parties as well as all intra-Group transactions. The provisions and measures stipulated in the Policy apply to both passive corruption (e.g. receiving bribes) as well as active corruption (e.g. offering bribes).

The Policy further applies to all governing bodies, employees, temporary staff and advisors irrespective of the level of hierarchy or function within the company. In the following, we summarise all these persons under the term "workforce".

Companies belonging to the EUROGATE Group within the meaning of this Policy are defined as all German companies, where EUROGATE GmbH & Co. KGaA, KG holds a direct or indirect interest of more than 50% or where it controls the management.

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<sup>1</sup>The masculine form is used throughout the text. This simply serves to improve the readability. This form applies equally to both genders within the meaning of equal treatment. The feminine form is equally implied.



EUROGATE will strictly pursue and appropriately punish any violations of this Policy.

### **3. Responsibility**

Group Management Board or, where applicable, the management of the respective EUROGATE Group company is responsible for ensuring that this Policy is complied with.

## **II. Prohibition of offering and receiving bribes and corruption**

### **1. Definition**

Corruption in general means that incentives, perks, preferences or other advantages that aim to influence fair, objective and proper decisions by business partners or authorities are offered, promised or accepted in a relationship based on trust.

Corruption is not a petty offence, but a criminal act. Criminal acts associated with corrupt behaviour include fraud, embezzlement, anti-competitive agreements regarding tenders and money laundering.

It is not only deemed illegal to accept or grant financial or other benefits, but also to offer or demand such. Here, financial benefits are defined as any type of direct or indirect payment whatsoever. Other benefits may include monetary or non-monetary benefits, such as gifts, invitations, business entertainment, favours, discounts, entertainment events, loans, deferment of payments or objects of financial value, including services, transport, other amenities or meals (here, it is irrespective whether such



is provided in kind, by purchasing a ticket, payment in advance or reimbursement of expenses made), rewards, discounts that are not customary in the market or donations. Given that corrupt conduct is not always clearly discernible beyond doubt in day-to-day business, the following shall offer the workforce orientation and suitable guidance.

## **2. Corruption-prone areas of activities**

### **2.1 Dealing with officials**

Officials include civil servants, judges, persons in an official public position (ministers, notaries, etc.) and persons, who are in charge of public administrative tasks at a public authority (e.g. social security institutions).

As the laws are extremely strict regarding dealings with officials, any type of benefits should be avoided in principle. In order to be able to exclude corrupt behaviour beyond doubt in dealing with officials, the following principles must be observed:

- Benefits to officials may only consist of tokens of minor financial value that are legally unobjectionable and customary as sign of courtesy (e.g. depending on the occasion, a customary EUROGATE give-away or a bouquet of flowers).
- When extending invitations to officials, it must be ensured that such business entertainment is in an appropriate relation to the occasion.
- If officials are invited to events, it must be ensured that they are invited as representatives of their authority or in line with the positions they hold.



Most public institutions have their own legal and administrative provisions governing the acceptance of benefits and invitations. Therefore it is not unusual for officials to refuse benefits or invitations. The Compliance Officer must be contacted in case of doubt or if questions arise when dealing with officials.

## **2.2 Dealing with business partners**

Business partners within the meaning of this Policy are defined as persons or companies with whom EUROGATE has or intends to have a business relationship as well as their executives, employees and agents.

It is customary in business dealings to maintain a good relationship with business partners and to cultivate contacts in order to establish a business relationship. Gifts and benefits are part of social courtesy in every culture and society. However, all types of gifts, invitations, business entertainment and benefits can also be abused as a means of bribery. Often the boundaries between benefits and favours on the one hand and corruption on the other are fluent.

EUROGATE strictly objects to corruption and other unfair business dealings. This means that no member of EUROGATE's workforce may, in the context of his business activities, offer, promise, request or accept incentives, perks, preferences or other advantages that aim to influence or even appear to influence fair, objective and proper decisions.

Here, the following principles must be adhered to:



- Benefits may not constitute consideration and must be granted on a voluntary basis.
- Benefits may never be granted in the form of cash or cash equivalents (discounts, vouchers, loans, etc.).
- Benefits must be of a value that is appropriate and customary in business and must be in proportion to the recipient's usual standard of living (e.g. it is usual to extend an invitation to a business dinner in an appropriate restaurant when concluding a transaction - "normal" transaction, "normal" restaurant; "important" transaction, "higher-class" restaurant).
- Benefits and invitations may not be granted/extended with unusual frequency.
- Benefits must always be transparent and may not be granted secretly (this is, for instance, not the case if I would be embarrassed to tell my superior about the benefit or invitation).
- Whenever invitations to events are extended, a representative of the inviting company must also be present.
- Gifts, benefits or invitations may only be granted or accepted, if this does not serve to influence or give the impression of influencing business decisions.
- No benefits of any type whatsoever may be accepted or granted immediately before a business decision is to be taken.
- Business entertainment must be appropriate in line with the business-related purpose and may not exceed the socially acceptable scope.

This means that the following benefits, in particular, are prohibited:



- Gifts of money of any amount whatsoever;
- other gifts, in particular benefits in kind from suppliers or business partners for private use;
- loans;
- individual discounts on goods and services other than general staff discounts that are granted independently of the function;
- referral bonus;
- services that are granted free of charge or at a lower price;
- incentive travel (e.g. short holidays at a supplier's or other business partner's cost, such as weekend sailing breaks);
- business trips to suppliers or other business partners that are financed by such supplier or business partner; and
- shopping vouchers.

In principle, gifts, invitations, benefits and other advantages are admissible, provided they are in line with the above principles, are socially acceptable, are of an appropriate value and do not appear to be granted as consideration. This also includes benefits that serve to fulfil obligations under the employment contract, such as for instance business-related visits to trade shows.

These principles must be reviewed by every member of the workforce before granting or accepting benefits. In case of doubt or questions concerning the treatment of any type of benefits or advantages, the direct superior or Compliance Officer must be contacted.

### **2.3 Dealing with representatives and advisors**

In practice, it is usual to work with representatives and advisors.



The fees for representatives and advisors are often suspected to serve to conceal corrupt benefits. Here, it must be kept in mind, that EUROGATE is in principle also responsible for the corrupt behaviour of advisors and representatives.

The workforce must observe the following principles in order to ensure that the interests of EUROGATE are met in the best possible way and to avoid any appearance of corrupt behaviour:

- The remuneration of advisors, agents and intermediaries should appropriately reflect the value of the services performed and the personal qualification, and must be in line with market prices.
- Remuneration that is supposed to be used to influence business partners or third parties is illegal and strictly prohibited.
- The selection process for choosing advisors, agents or intermediaries must be transparent.
- Payments may not be made in cash.
- Representatives and advisors working on behalf of EUROGATE must strictly observe the national laws.
- The term of employment of advisors must be limited and regularly reviewed.

The above criteria must be observed by every member of the workforce when dealing with representatives and advisors. In addition, these principles must be made known to advisors and representatives, who must conduct themselves in line with EUROGATE's standards regarding ethics and integrity.



## **2.4 Donations and sponsoring**

EUROGATE supports charity projects as a social commitment and in order to give a positive impetus to the society in which we operate. EUROGATE's commitment in the form of donations in kind, monetary donations or sponsoring activities serve education, science, culture, art, social aspects, sport and other social activities. Donations must be allocated in a disinterested manner. Donations to political parties are prohibited. EUROGATE is prohibited from requesting any consideration for donations or sponsoring activities.

EUROGATE's donation and sponsoring activities are performed in accordance with the principle of transparency, are of a voluntary nature and are legally tenable. Decisions concerning donations and sponsoring activities may be made solely by Group Management Board. Once a positive decision has been made, all monetary payments and cash-value benefits must be documented. For the avoidance of doubt, payments may only be made as non-cash payments.

## **3. Consequences for employees and companies**

The entire workforce is obliged to observe the EUROGATE Anti-Corruption Policy. Each of us is expected to be familiar with our Code of Conduct, our corporate principles and policies and to apply such in day-to-day operations. In order to protect ourselves and the company, it is of utmost importance, particularly in questionable situations, that decisions and actions are taken in accordance with the laws and statutory provisions, rules of procedure, policies and our Code of Conduct.



This Anti-Corruption Policy is binding for the entire workforce and provides guidance aimed at protecting the employees of EUROGATE from getting involved in corruption. Legal violations might entail severe legal consequences for EUROGATE (e.g. civil or criminal law proceedings, high fines, loss of revenue and reputation) and for individual members of the workforce.

Since the laws in this field have been amended in recent years and are highly complex, improper conduct is not always easy to identify beyond doubt. In addition, the prosecution of corrupt conduct has increased in recent years. Therefore, every member of EUROGATE's workforce is requested to avoid any appearance of corruption and to carefully observe this Policy.

EUROGATE will strictly pursue and appropriately punish any violations of this Policy. Here, the human resource department shall involve the competent works council in the proceedings (as prescribed by law and/or the company's works constitution).

### **III. Preventing corruption**

#### **1. Responsibility and control**

The EUROGATE management and executives shall also serve as role model in implementing and observing this Policy. The executives are obliged to take initiative in resolutely addressing corrupt conduct in their respective areas. As executives serve as a role model in this respect, they are responsible for ensuring that the workforce in their area of responsibility is familiar with this Policy and the Code of Conduct and strictly observes the provisions therein.



In addition to the executives, the entire workforce is obliged to point out seriously irregular states of affairs, like defective organisational structures, or suspected legal violations. Such notification must be given without undue delay to the respective manager, the Compliance Officer of EUROGATE or anonymously to the EUROGATE ombudsman. No member of the workforce shall fear repercussions as such notifications are always treated confidentially. EUROGATE places great importance on protecting the whistleblower. Conduct that is aimed against the whistleblower will not be tolerated.

One material element of preventing corruption is raising awareness among the entire workforce and the willingness to openly address the issue of corruption and to discuss the associated risk.

## **2. “Four-eye principle” and transparency**

EUROGATE prides itself in its fair and reliable treatment of customers and business partners. In order to protect the workforce and EUROGATE, business decisions, benefits of any kind whatsoever, the establishment of business relationships and critical activities are based on the principle of transparency and the four-eye principle.

Every act and every decision must be based on transparent, factual and objective criteria. EUROGATE always applies the four-eye principle in all legally relevant business procedures. The four-eye principle is based on mutual responsibility and is a control mechanism that serves to protect oneself and one’s colleagues. If the four-eye principle cannot be applied in exceptional cases, other anti-corruption measures must be taken and documented clearly, consistently and understandably.



Corrupt conduct destroys the trust between colleagues and business partners and conflicts with EUROGATE's Code of Conduct. All the principles and guidelines in this Policy serve to support and help handling day-to-day business. However, if additional support is needed in case of doubt, there is always the possibility of addressing the direct supervisor or the Compliance Officer.

### **3. Behaviour in case of suspected corruption**

The entire workforce is obliged to observe the EUROGATE Anti-Corruption Policy. In order to protect ourselves and the company, it is of utmost importance, particularly in questionable situations, that every decision is taken in accordance with the laws and statutory provisions, rules of procedure, policies and our Code of Conduct.

Employees are obliged to point out violations or suspected legal violations in connection with the Code of Conduct or this Anti-Corruption Policy. It is not our intention to create a culture of mistrust. However, in order to protect the entire company, serious violations must be reported so that we can take the necessary steps.

### **4. Awareness-raising and training courses**

Every member of the workforce must be given the opportunity to study this Anti-Corruption Policy and the issue of corruption when joining the workforce. Managers shall ensure awareness is raised by implementing preventive measures and by exchanging information concerning weaknesses, where appropriate. Furthermore, regular training courses





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#### **IV. Effective date**

This Anti-Corruption Policy enters into force on 1 January 2017.